



Metro

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JULY 17, 2008**

SUBJECT: PS26102156, RMI INTERNATIONAL, PRIVATE SECURITY CONTRACTOR SERVICES

ACTION: AWARD CONTRACT

RECOMMENDATION

Authorize the Chief Executive Officer to award a five-year firm fixed unit rate contract, Contract No. PS26102156, to RMI International for private security contractor services in an amount not to exceed \$24,363,136, inclusive of two one-year options effective September 1, 2008.

RATIONALE

The Board adopted Security Policy identifies security as an integral element of our overall operations. This policy is designed to provide the highest quality, most cost-effective, transit community based security program possible. Our Security Program consists of five main elements: (1) our security, (2) contracted law enforcement, (3) contracted private security, (4) physical security improvements and operational security innovations, and (5) security training and awareness for employees and our passengers.

The contracted private security component is designed and deployed as a fully integrated and mutually supportive part of the overall security program. Private security guards work on a daily basis with our internal Security Department and our contracted law enforcement agency, the Los Angeles County Sheriff's Department, Transit Services Bureau (LASD-TSB). They also work with other local law enforcement agencies to protect our passengers, employees and property. Flexibility is a key benefit of our integrated program, as the appropriate type of security service can be applied to the task at hand. The "Mission Profile" for the overall Transit Security Program requires that specified categories of security services be deployed to certain tasks and locations. Contracted private security services are a key resource as we deploy security assets consistent with the security mission profile.

Consistent with the security mission profile, private security services are deployed at numerous properties and facilities throughout our service area, including employee parking facilities, Metro Rail and Bus System parking lots, and support facilities. Higher level security tasks such as general security patrol, revenue protection, threat management, special security operations, key facilities security, Board Room security and headquarters

security are performed by our in-house Security Department or by our contracted law enforcement agency.

Private security services are deployed at our facilities based on our analysis of overall risks, vulnerability assessments, area crime rates, configuration of facilities, and special identified needs. Private security guards are also deployed to cover short-term assignments and special security operations as necessary. Consistent with financial constraints, not all of our facilities are allocated private security services. Private security deployments are assigned by our security management to achieve the highest possible level of cost effectiveness. Costs associated with these services are allocated to the Metro Bus sectors, Metro Rail, other facilities, or overhead, as appropriate. The effective date of this contract is September 1, 2008. The current contractors will provide security services in the months of July and August.

FINANCIAL IMPACT

The funding of \$3,749,172 for private security services is included in the FY09 budget in Cost Center 2610, Operations Security, under multiple project numbers (rail, bus, support facilities, overhead). Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be responsible for budgeting funds in future years. In FY08, approximately \$3.66 million will be expended.

ALTERNATIVES CONSIDERED

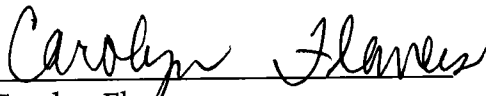
The first alternative considered is to utilize in-house security staff to perform these functions. This option is not recommended because, although minor savings would be achieved in the first year, costs would be higher in following years due to step increases structured into the Teamsters contract. Additionally, the skill level required for most of the work assigned to the private security contractor staff does not warrant assignment of our well-trained and higher level Security Officers.

The second option considered is to utilize contracted law enforcement to perform these functions. Staff does not recommend this alternative because the skill level required does not warrant sworn peace officers and their substantially higher costs.

ATTACHMENTS

- A. Procurement Summary
- A-1. Procurement History
- A-2. List of Subcontractors

Prepared by: Jack Eckles, Deputy Executive Officer, System Safety and Security
Daniel R. Cowden, Director of Security
Robert Vasquez, Senior Contract Administrator



Carolyn Flowers
Chief Operations Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

PRIVATE SECURITY CONTRACTOR SERVICES

1.	Contract Number: PS26102156		
2.	Recommended Vendor: RMI International		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$24,363,136	Recommended Price: \$24,363,136	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Unit Rate		
5.	Procurement Dates:		
	A. Issued: 03/25/08		
	B. Advertised: 03/25/08		
	C. Pre-proposal Conference: 04/04/08		
	D. Proposals Due: 04/23/08		
	E. Pre-Qualification Completed: 06/11/08		
	F. Conflict of Interest Form Submitted to Ethics: 06/10/08		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 20% SBE	Date Small Business Evaluation Completed: 7/08/08	
	B. Small Business Commitment: 30.5% (Details are in Attachment A-2)		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 11	Bids/Proposals Picked up: 53	Bids/Proposals Received: 9
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Final Amount:</u>
	1. Akal Security	\$23,913,863	\$23,913,863
	2. Allied Barton Security Services	\$27,331,290	\$27,331,290
	3. Barry's Security Services, Inc.	(Non-Responsive)	(Non-Responsive)
	4. Comprehensive Security	\$25,306,588	\$25,306,588
	5. Inter-Con Security	\$26,343,271	\$26,343,271
	6. International Services, Inc.	\$22,009,908	\$22,009,908
	7. RMI International	\$24,363,136	\$24,363,136
	8. Wackenhut Corporation	\$31,436,986	\$31,436,986
	9. WSA Security Inc.	\$21,546,301	\$21,546,301
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 07/22/08		
	B. Protest Receipt Date: T.B.D.		
	C. Disposition of Protest Date: T.B.D.		
10.	Contract Administrator: Robert Vasquez	Telephone Number: 213-922-1044	
11.	Project Manager: Daniel Cowden	Telephone Number: 213-922-3643	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

PRIVATE SECURITY CONTRACTOR SERVICES

A. Background on Contractor

RMI International, Inc. (RMI), formerly known as Rodbat Management, Inc., is a privately held California-based corporation. The company is headquartered in Paramount, CA and has been in the private security business for 12 years. Some of its current or recent clients include American Honda Motor Company, Cargill, Inc., City of Los Angeles (Department of General Services) and the Big 5 Corporation. RMI currently provides security services to the public and private sectors in 14 states, including California, and is a member of the American Society for Industrial Security, Nine Lives Associates, the American Society of Law Enforcement Training and the Executive Protection Institute.

B. Procurement Background

This is a competitively negotiated procurement under RFP No. PS26102156. Of the nine proposals received, eight were considered to be responsive and responsible. The base contract period is for three years plus two one-year options, for a total potential contract period of five years. The Request for Proposal contained a 20% SBE subcontracting goal.

C. Evaluation of Proposals

We used the explicit factors/weighted criteria method of evaluating proposals, which is in compliance with established Procurement Policies and Procedures. The voting members of the Source Selection Committee consisted of two of our experienced System Security & Law Enforcement Department personnel and one Los Angeles County Sheriff's Department lieutenant (retired). Evaluation criteria were weighted as follows: 1) Qualifications of Firm/Past Performance/Site Visit = 35%; 2) Qualifications of Project Staff and Level of Training of Field Staff = 25%; 3) Work Plan/Project Understanding = 10%; and 4) Price = 30%. Prior history with these services has shown that it is justified to pay a higher price in order to obtain a higher, sustained level of service with less turnover and fewer problems. RMI's price was not the lowest, but its proposal was scored the highest overall of the eight responsive/responsible firms.

All of the eight responsive and responsible proposers met the Minimum Requirements of the RFP and were found to be technically qualified to perform the required services. References were checked for all proposers and their performance was found to be acceptable overall. The competitive range was narrowed from eight to five firms after which point site visits were conducted with those five firms. During the final evaluation, the Source Selection Committee reached consensus that RMI demonstrated an excellent understanding of the requirements and has the capability to provide a high level of quality service at a reasonable price. The committee therefore scored RMI's proposal the highest overall. (As noted above, selecting the lowest priced proposal was not the primary goal due to concerns related to sustained service quality, contractor employee morale and turnover.)

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon adequate competition and an internal estimate by the user department. Based on prices ranging from \$21,546,301 to \$31,436,986, RMI's proposed 5-year price of \$24,363,136 was significantly lower than the average price of \$25,281,418 for the eight responsive/responsible proposals.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

PRIVATE SECURITY CONTRACTOR SERVICES

PRIME CONTRACTOR – RMI International

Small Business Commitment

Other Subcontractors

Security America Inc.

N/A

Total Commitment 30.5% SBE

